

OBSERVATIONS
ON THE
EVIDENCE
RELATING TO
THE RUSSIA TRADE:

As delivered at the Bar of the Honourable
the House of Commons, on the 5th of
May, 1774;

To a Committee of the whole House, appointed
to enquire into the present State of the Linen
Trade of GREAT BRITAIN and IRELAND.

BY MR. FORSTER.



L O N D O N,
Printed for the R U S S I A Company.
MDCCLXXIV.

OBSERVATIONS

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EVIDENCE

RELATING TO

THE RUSSIA TRADE

As delivered at the Bar of the Honourable
the House of Commons, on the 25th of

May 1774: BY A COMPANY

To a Committee of the whole House, appointed
to enquire into the present State of the Linen
Trade in Great Britain and Ireland.



BY MR. FORSTER.



L O N D O N

Printed for the Russia Company.

MDCCCLXXIV.

TO
ROBERT NETTLETON, ESQ.
GOVERNOUR,

TO THE CONSULS AND
THE COURT OF ASSISTANTS OF
THE RUSSIA COMPANY.

THESE OBSERVATIONS,
PRINTED BY THEIR DESIRE, ARE

INSCRIBED BY THEIR

VERY HUMBLE SERVANT,

EDWARD FORSTER.

THE COURT OF ASSISTANTS OF

TO

ROBERT NETTLETON, ESQ.

GOVERNOR

TO THE CHIEF JUSTICE AND

THE COURT OF ASSISTANTS OF

THE JUDICIAL COMMISSION

THE NEW A TOWNSHIP

PRINTED BY THEIR DESIRE ARE

INSCRIBED BY THEIR

VERY HUMBLE SERVANT,

in that case was found to be and imposed

(amongst others) to the intended purpose

and to the satisfaction of the Court

of the Court and the Court





OBSERVATIONS, &c.

SIR,

I APPEAR here as Agent for the Russia Company. Before I call in the witnesses whom I shall beg leave to examine, I will take the liberty to acquaint the Committee what has been the occasion of my giving them this trouble.

The Russia Company perceived, by the Report of the Committee appointed to enquire into the present state of the Linen trade in Great Britain and Ireland, that a considerable decay in that trade was complained of, and imputed (among other causes) to the increased importation of foreign Linens; and to the importation of them on too low duties. And finding that some of the witnesses, examined by the Commit-

tee, had imputed part of the evils they complained of, to the interfering of Russia Linens, the Russia Company thought it incumbent on them to desire to be heard; in hopes that, by indisputable Evidence, they could convince the Committee, that no part of the evil complained of could, with justice, be imputed to the *increased Importation of Russia Linens*, or to the Importation of them on *duties too low*.

I wish, Sir, to lay before the Committee a state of the trade between England and Russia; in doing this, the points which, among others, I should be most solicitous to establish, are these:

That the Linens imported from Russia are of such a quality, as to be chiefly consumed by the poor:

That the want of them could not be supplied by any of the manufactures of Britain:

That the importation of them is not increased: And,

That at present they pay an high duty.

That our importation of flax is considerable.

That

That the manufactures of Great Britain, exported to Russia, exceed in value the Russian manufactures imported into Britain.

That the duties paid on the importation of the *Woollen* manufactures of Britain in Russia, are low, in comparison of those paid in Britain on the importation of the *Linen* manufactures of Russia.

That the whole of the trade between Russia and Great Britain is carried on in British shipping; and that the British merchants, resident in Russia, enjoy very valuable privileges, not granted to other European nations.

I will now beg leave to call in our witnesses.

[Mr. Samuel Stratton was then examined on those points which related to the importation of Russia Linens; and his examination having taken up a considerable time, it was not thought necessary to call Mr. William Edwards, who was prepared to have given a full and circumstantial Evidence on the same points.]

Mr. Nicholas Cavanaugh was examined on those points which related to the exports from Great Britain to Russia, to the exportation of

flax from Russia, to the quantity of British shipping employed, and to the privileges granted by the Russian government to the British merchants resident in Russia. His Evidence having been clear and circumstantial; the Agent thought it unnecessary to call other witnesses, who were ready to have confirmed it.]

By leave of the Committee, the Agent proceeded thus:—

The Evidence which has been laid before the Committee, I think, amounts to this:

That the Linens imported from Russia are chiefly used by the poor; that the want of them could not be supplied by our home manufactures; that the importation of them is decreased; that the annual amount of these importations is from 100 to £. 140,000; that the present duties on the importation of them amount, in the lowest instances, to above 26 *per cent.* on the value; in the highest, to above 50 *per cent.*; that an increase of duty would increase the price to the poor; that our exports to Petersburg only amount to about £. 300,000 annually; that of this sum, the manufactures of Britain amount to £. 200,000, the unmanufactured

factured produce to £. 100,000; that the duties paid on the importation of our woollens, in Russia, are between 17 and 18 *per cent.* on their value; that the shipping employed by us, is 170,000 tons; that we import between 7000 and 8000 tons of flax annually; that our merchants resident in Russia have distinguished privileges.

This being the state of the Evidence, I understand I may be permitted to make some observations on it, and on other circumstances of our trade, in which I shall endeavour to be concise. I mean to confine myself strictly within my proper limits, the business of the Russia Company: The general subject before the Committee was amply entered into by Mr. Glover, who through life has been distinguished in the literary, the commercial, and the political world. I should little expect to be attended to, if, after him, I was so impertinent as to enter on the subject at large.

The business of the Russia Company lies within a small compass; perhaps no argument of mine will be so strong, as the inexperience and want of ability you will perceive in me their

Agent:

X Leonard

Agent: had they had a doubtful cause, they would have used some diligence to have sought an able advocate; they would not have trusted their affairs to my management:

By the evidence of Mr. Stratton it appears, that the poor[a] can furnish themselves with the Linen manufactures of Russia, on much cheaper terms, than with any of our home manufactures; he has not mentioned on how much cheaper terms; but, I think, I have heard they may cloath themselves at two thirds of the expence; and this with a Linen, which, having paid to government one third of its value at least in duty, has already been assistant in some measure even to those who wear it, by contributing to those wants of the state, which, if they were not alleviated by duties on foreign importations, must fall still heavier on the necessities of life, than they now do. Under these circumstances, if the Committee are convinced that the Linens imported from Russia are serviceable to the labouring poor, if they find that, in these

[a] A part of our Linen importations are also used for hammocks by the navy and merchant ships, and for tents, and many sorts of camp equipage.

times of distress, they afford them a much cheaper cloathing than they could procure from our own manufactures; it is then evident, that any increase of duty, or any impediment thrown in the way of our Linen importations, would be an additional burthen, not on the fantastic wants of the elegant and luxurious, but on the necessities of the whole class of our laborious poor. There needs no argument to convince the Committee of the inexpediency; I am tempted to add, of the inhumanity, of such a measure—A measure not necessary, as I conceive, for the relief of those who have applied to you, Sir, for assistance.

The inconveniences they suffer are not imputable to us; for the decay they complain of in their trade cannot be imputed to the increase of our importations, as the most experienced of our importers has informed you on his [b] own knowledge, that the importation is decreased; and that it is so, is notorious.

[b] I think the annual importation of Russia Linens might be estimated at above 5 million yards; for the two last years, it has been about 4,100,000 yards; it has decreased about $\frac{1}{5}$ of the whole importation.

You

You have heard, Sir, what the duties paid on Russia Linens are ; that they amount in the lowest instances to above 26, in the highest to above 50 *per cent.* on their value [c] ; after this, the Committee will not think a decay in the Linen manufactures of Great Britain and Ireland can be imputed to the *increased* importation of Russia Linens, on *too low* duties. We are confident, that the wisdom of parliament will not adopt a measure ineffectual to the purposes for which it would be designed, injurious to the labouring poor, and which in its consequences may be highly prejudicial to every manufacture of these kingdoms, the Linen manufacture itself not excepted.

For we have shewn you, that the whole value of our exportations to Russia amounts to above £. 300,000 annually. Mr. Cavanaugh spoke only as to the exportations to Petersburg, which he said amounted to about that sum. That the

[c] By value, I would always be understood to mean the value really received by the manufacturing or producing countries ; thus the value of Russia Linen includes all charges incurred in Russia, but is exclusive of British charges ; the value of British exportation includes all British charges, but no Russian ones.

value

value of British manufactures exported, exceeds considerably the value of the Russian manufactures we import; so that, the trade of manufactures only considered, the balance is in our favour. That our woollen manufactures pay, on their importation into Russia, a duty only of between 17 and 18 *per cent.* on their value, while the duties paid on the importation of Russian manufactures into Britain, amount [d] to double that proportion. Now, should we increase this high duty on our part, the soundest policy would warrant, the strictest equity would justify, the Russian government in increasing their duties on British commodities: nor would there be the same objections from internal policy as with us; for many of the articles, imported from Britain into Russia, are not to supply the wants of the necessitous, but to contribute to the elegancies of the luxurious. We cannot doubt but, under these circumstances, the Russian government

[d] In order to enable me to assert, as much as was possible from facts, rather than calculated estimates; one of our most considerable and most general importers took the value of his whole last year's importations, and the amount of the duties he paid on them; on comparing them, he found he had paid 40 *per cent.* on the original value in duties.

would

would increase the duties on our manufactures, would endeavour to establish and encourage rival manufactures, and, lessening the attention they now give to the Linen, their only considerable and favourite manufacture, they would, on principles of the soundest policy, give countenance to any efforts to establish other manufactures as the rivals of ours. These ideas are not wantonly produced from the hoard of an inventive imagination. The Russian government is possessed of the truest principles of commercial policy. The sensible edict, which precedes the tariff of 1767, warrants this assertion. The Russian empire is rising in arts, and has much in its power.

But this is not the only bad effect, which might be the consequence of our endeavours to check the Russian manufactures of Linen. There is a measure which the Russian government might adopt, which would affect materially, and, as I conceive, affect only the Linen manufactures of Britain and Ireland. When you recollect, that our importations of flax from Russia are between 7 and 8000 tons yearly, you will be aware how materially a very high duty on the exportation of this article from Russia would

would prejudice our Linen manufactures. Should we endeavour to injure the Russian manufacture of Linen, this would be an obvious, a just, and, I am sure, it would be an effectual remedy, as it would lower the price of flax in Russia, by tending to prevent the exportation of it, and raise the price on our manufacturers. Should urgent occasion, should sudden resentment, prompt the measure, why might not the Russian government totally prohibit the exportation of flax?

Nor are these the only mischiefs we have to fear, should we throw any difficulties in the way of the favourite manufacture of Russia. You have been informed by one of our witnesses, who has been resident in Russia, and who speaks from an experience of thirty-two years, that the British are a favoured nation, favoured in a very peculiar manner by the grant of privileges denied to other nations; privileges of a nature peculiarly acceptable to a Briton. We almost carry with us into Russia the freedom of our own happy country; a ray of British liberty breaks through the gloom of Northern despotism, and enlightens the dwellings of a Briton in Russia.

Russia. Not only favoured, and materially favoured in the manner of paying our duties, the friendship of the Russian government has given us a degree of personal freedom, beyond what the subjects of Russia, beyond what any other nations, enjoy in Russia. The arbitrary order of an inferior military officer cannot quarter soldiers in the house of a Briton; nor exact, as he can from others, even from Russians of the first rank, pecuniary amends, for not molesting him with such troublesome inmates.

A British merchant is not amenable, in matters relating to business, to any of the inferior courts of justice, the seats of endless and uncertain litigation; his cause is heard by the college of commerce, a court that considers itself as the guardian of commercial rights.

The subjects of Britain resident in Russia are not confined, in the disposal of their effects at their death, by the Russian laws of inheritance; but they may dispose of them by will in such manner as is most for the interest of their families.

In cases of bankruptcy, and of legal arrest, very valuable privileges respecting personal freedom,

freedom, are enjoyed by our countrymen in Russia.

It is evident by these repeated instances of favour, that the Russian government wishes to be on the most friendly terms with us; but Mr. *Cavanaugh*, in consequence of a question from an honourable Member of this House, has told you, that the Russian Government thought themselves aggrieved by the additional duties laid on Linens in 1767: and surely they were not without reason for thinking so; that part of the duties, particularly, which was an additional duty on all Linens above 36 inches broad, fell heavily on our sheeting, which already paid a duty on a rate equal to their value, and established as lately as the year 1765. This measure, we had reason to think, was advised by a person who had himself, or whose near relations had, an interest in a manufacture of sheeting, whose motive was to check the importation of Russia sheeting, in order to benefit this manufacture. The effect, I believe, in no respect answered his expectation; Russia sheeting continues to be imported, is still used [e], and will continue to

[e] It is still used; but the exorbitant duty now paid on it,

be used, as long as it is found to be superior to every manufacture of the same kind.

This is a striking instance of the inefficacy of additional duties on foreign Linens, in assisting home manufactures.

I cannot quit this subject, without digressing a little, to mention with honour the conduct of the inhabitants of that town, for whose benefit this measure was supposed to have been advised. They have had the sense to perceive what they could not do; they have had the genius to discover what they could do. Encouraged only by the grant of the importation of their raw material free of duty, by their ingenuity, and persevering industry, the inhabitants of Manchester have brought their cotton manufacture to a degree of excellence beyond, I believe, their own most sanguine expectation. A very considerable, a very increasing, exportation of this beautiful manufacture to Russia, contributes

has, in a great measure, deprived the lowest class of people of the use it; they are now forced into the use of raversduck, instead of sheeting, which, though bought at a lower price than sheeting can be sold for, is neither so convenient, nor advantageous to them; so that this additional duty has, in fact, been of prejudice to the poor.

to reward the genius and industry of the manufacturers. But to return to my subject.

The British nation has been hitherto considered as the friend of Russia: independent of the important privileges we enjoy, the peculiar civility and attention paid by the Russian court to the subjects of Britain, are alone proofs of its friendly disposition—Shall we hazard this established friendship, these important privileges? shall we hazard the benefits we receive from a considerable, an increasing (for such it is) exportation of our own manufactures, by a measure ineffectual to the purposes for which it would seem to be designed, and immediately injurious to the most valuable of our subjects, the labouring poor, of our husbandry, and our fisheries?

I suspect it may be thought, that I have forgotten the real state of the trade between Russia and England—a trade, the balance of which is very considerably in favour of Russia [f]. There is no one circumstance of our trade,

[f] This may be considered as the state of the trade, exclusive of the article of jewels; those of tallow and iron are considerably encreased of late years. Our imports are,

trade, to which I more sincerely wish to engage the attention of the Committee. Other branches of commerce boast of the balance they bring home; that is, supposing theirs was the only trade carried on, of the quantity of gold and silver they would introduce into Britain. But, Sir, of gold and silver you can neither make an anchor, nor a ploughshare. The instruments of agriculture, of navigation, and of arts, are produced by the mines of Siberia, not by those of Peru. The articles we bring from Russia, our hemp, our iron, our flax, are so indispensably necessary to us, for every purpose of agriculture and of commerce, that, had we no export trade, it would be very expedient we should at-

Hemp 16,000 tons, at £. 18	£. 288,000
Iron 30,000 tons - - 10	300,000
Flax 7,500 tons - - 30	225,000
Linens in value	130,000
Tallow	90,000
Deals	70,000
Bristles, isinglass, linseed, hides, and mat.	30,000
Furs, rhubarb, and other articles, about	20,000
	1,153,000
Exports to Petersburg only, about	300,000

Of the exports to other ports in Russia we have
no accounts,

tentively

tentively cultivate the friendship of Russia, on account of our import trade only. The Russian government has been for some years engaged in an expensive war; a very considerable revenue might be raised, by additional duties on hemp, flax, and iron; a tax we must pay, however exorbitant it might be. The annual want of 7 or 8000 tons of flax would be felt by our Linen manufactures; hemp and iron we must have; without them, our navy, our commerce, our agriculture, are at end; without them, where would be our wealth, where our naval honours? The gold, it is true, would be produced in the mines of Peru, but not for us; we obtain it, not by plunder, but by commerce; by a commerce protected, when attacked, by our naval strength. You will never, Sir, think, that trade a prejudicial one, which brings home the materials, without which, commerce could neither be undertaken nor protected. You will think, that trade an advantageous one, which, carried on entirely in British ships, employs annually [g] 170,000 tons of shipping.

[g] The labour of seamen, and freight of ships, is always of the nature of an exported commodity. Petty's Pol. Arith.

Popular

Popular prejudices prevail against contractors. I never yet heard a whisper raised against the contractors with the government for hemp; the navy is supplied with this useful article of our trade, on terms as reasonable as any private rope-maker. We have, among the members of the Russia Company, names as distinguished even for fortune as any in the city; but their fortunes were either inherited, or acquired by that gradual industry and oeconomy, which used to give credit to the name of Merchant; they are not fortunes acquired by the plunder of government, by rapine, or by a mad spirit of enterprize as mischievous to society as either. While I am recollecting such members of the Russia Company, I cannot but place at their head the venerable name of Mr. Nettleton, our Governor, who has passed a long life, equally respected for his abilities and integrity, who, for many years, has found, and still finds, [b] at a very advanced age, in the chair of the Russia Company, the *honestissimum domicilium senectutis*.

[b] The Russia Company have to regret, that any circumstance has prevented Mr. Nettleton from undertaking to appear in their behalf at the bar of the house.

I have

I have now laid before the Committee the circumstances of the Russia trade, useful to the community, I trust, in every branch of it; exporting annually more than £. 300,000, in value of our products, of which sum two thirds at least are our manufactures, importing chiefly the most necessary raw materials. The manufactures we import do not amount to more than one eighth part of our whole importations, and those manufactures of a coarse quality. Of more considerable imports are hemp, iron, ~~flax~~, tallow, timber, deals; all necessary for the uses even of the lowest class of people, not one offering at the shrine of luxury. The severity of a Spartan government would have given countenance to a commerce like this.

I have said nothing relating to the subject of drawbacks on exportation, as I am unwilling to take up the time of the Committee about a matter which, as a part of the general subject, was considered by Mr. Glover. One of our witnesses, Mr. Stratton, has informed you, that, since the taking away the drawback on Russia Sailcloth, considerable quantities of it go from Holland to our Colonies; that we do not send
more

more than one quarter of the number of pieces we used to export, the remaining three quarters are now an aid to the trade and navigation of our neighbours the Dutch [i]. Such a fact is of more weight than any argument!

It is time that I conclude—

If, Sir, the Committee are convinced, that the suppositions of an increased importation, and of an importation on too low duties, are groundless—that our importations of Linen are highly serviceable to the poor—If they think that any alterations in the state of the duties on Russia Linens, might have a tendency to check a very beneficial and increasing exportation of our own manufactures; and an importation of raw materials advantageous to our British and Irish manufactures of Linen, and essentially necessary to our navy and our commerce; we are confident we can have nothing to fear.

[i] The importance of being the carriers for other nations, can never be too much attended to; the value of a Seaman must be rated high in the Political Arithmetic of Great Britain.



